

23 September 2020

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you, as a valued Shareholder of Argonaut Resources NL (**Argonaut** or **Company**), to participate in a Share Purchase Plan (**SPP**) announced to the ASX on 23 September 2020.

The SPP is being undertaken in conjunction with a placement (**Placement**) to raise a combined amount of circa \$3.9 million. The Placement, for which firm commitments have been received, will raise approximately \$2.7 million.

The funds will be used primarily to drill test copper targets at the Company's 100% held Murdie Project in South Australia. The copper targets at Murdie are gravity anomalies in the style of BHP's high-grade Oak Dam discovery, 45 kilometres to the northwest. Work programs to be funded by capital raised are expected to include:

- ground-based gravity surveys, and
- deep drilling of geophysically modelled copper targets.

Additionally, funds will be used to complete a scoping economic study of the Nyungu copper-cobalt deposit at Lumwana West in North-western Zambia. Work programs are expected to include:

- leach testwork,
- oxidation testwork, and
- solvent extraction/electro-winning testwork.

Funds will also be used for working capital.

Under the SPP, you have the opportunity to apply for up to \$30,000 worth of shares in Argonaut at a discounted price free of brokerage, commissions or other transaction costs. The purchase price offered to shareholders under the SPP will be 0.55 cents per share, the same price at which shares were offered under the recently completed Placement. This price represents a 24% and 17% discount to the volume weighted average price (VWAP) of Argonaut shares calculated over the last 1 and five days respectively, immediately prior to the announcement of the SPP on 23 September 2020 and 21% discount to the last traded price of Argonaut shares prior to announcement of the SPP.

The Company presently intends to limit the amount raised under the SPP to \$1.2 million. If total demand for the SPP exceeds \$1.2 million, the Company reserves the right to accept oversubscriptions (under clause 4 of the attached SPP Documents) or to close the SPP early and scale back applications in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company will take into account a number of factors, including the size of an applicant's shareholding, the extent to which eligible shareholders have sold or bought additional shares after the record date and the date an application was made.

The SPP will open on 25 September 2020 and is scheduled to close on 16 October 2020.

Key information in respect of the SPP is set out in the enclosed SPP Documents. Please read the enclosed SPP Documents before deciding whether or not to invest.

If there is any matter on which you require further information, you should consult your stockbroker, accountant or professional advisor.

On behalf of the Directors, I encourage you to consider this investment opportunity carefully and thank you for your ongoing support of Argonaut.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lindsay Owler', with a long horizontal flourish extending to the right.

Lindsay Owler  
Director and CEO  
ARGONAUT RESOURCES NL

## **Argonaut Resources NL - Share Purchase Plan**

### **Important Dates**

The key dates for the SPP are set out below. These dates are indicative only and are subject to change. Argonaut may, in its discretion, vary any of the below dates by lodging a revised timetable with the ASX.

22 September 2020 at 7.00 pm (AEST)	<b>Record Date</b> <i>The date on which the Company determines Eligible Shareholders.</i>
25 September 2020	<b>Offer Opening Date</b> <i>The date on which the SPP opens</i>
16 October 2020 at 5.00 pm (AEST)	<b>Offer Closing Date</b> <i>The date on which the SPP closes. Applications and payments must be received by 5.00 pm (AEST)</i>
19 October 2020	<b>Announcement of Results</b>
23 October 2020	<b>Allotment Date</b> <i>The date Shares under the SPP are allotted and any scale back of the Shares is announced.</i>
23 October 2020	<b>Dispatch Date</b> <i>The date on which holding statements are sent to shareholders</i>
23 October 2020	<b>Share Trading Date</b> <i>The date on which it is expected that Shares under the SPP will commence trading on the ASX.</i>

### **Important Information**

#### **Foreign Jurisdictions**

The documents contained in this SPP Booklet (including the SPP Terms and Conditions, Application Form and accompanying documentation) (***SPP Documents***) have been prepared for publication in Australia and New Zealand only and may not be released in other countries.

The SPP Documents do not constitute an offer of shares in any country in which such an offer would be illegal.

#### **No Investment Advice Given**

The offer to purchase shares under the SPP is not a recommendation to purchase shares. If you are in any doubt about whether to participate in this SPP, you should seek independent financial and taxation advice which should take into account your specific financial situation and your financial needs and objectives. The SPP documents do not constitute financial product advice, nor are they intended to influence your decision whether or not to participate in the SPP.

#### **Share Price Movements**

The market price of Argonaut ordinary shares may rise or fall between the date of this offer and the date that the shares are issued to you under the SPP. The effect of these potential price movements is that the price that you pay for ordinary shares under the SPP may be higher or lower than the market price of Argonaut ordinary shares at the time that the shares are issued to you under the SPP.

#### **Payment Options**

##### BPAY® facility

You may pay by BPAY®. Payment must be received on or before 5:00pm (AEST) on 16 October 2020. You do not need to return the Application Form enclosed with this Booklet if you pay by BPAY®.

**In light of delays to postal services caused by the COVID-19 pandemic this method is recommended by the Registry.**

Cheque, bank draft or money order

You may pay by cheque, bank draft or money order. You must complete and return an Application Form if you pay by cheque, bank draft or money order. Your Application Form must be accompanied by your cheque, bank draft or money order and it must be received on or before 5:00pm (AEST) on 16 October 2020.

Send the Application Form and your cheque, bank draft or money order using the reply-paid envelope provided. Alternatively, mail or deliver to the mailing address, or hand delivery address, shown on the Application Form.

### **Frequently asked questions**

#### **Q. What is the Share Purchase Plan (SPP) Offer?**

**A.** The SPP offer provides eligible shareholders the opportunity to buy up to A\$30,000 worth of new fully paid ordinary shares in Argonaut free of brokerage or other transaction costs.

#### **Q. Am I eligible to participate?**

**A.** Eligible shareholders are Australian and New Zealand registered shareholders who held shares on the Record Date of 22 September 2020 at 7.00pm (AEST).

#### **Q. How do I apply?**

**A.** To apply for new Argonaut shares under the SPP, you can use one, or a combination of the following methods:

- **BPAY®:** Make a payment directly via BPAY®, which, in light of delays to postal services caused by the COVID-19 pandemic, is recommended by the Registry. You do not need to return the Application Form enclosed with this Booklet if you choose this option. To make a BPAY® payment follow the details in the Application Form at Option 1, (provided that your financial institution supports BPAY®); or
- **Cheque, bank draft, money order:** complete the Application Form and return it with your cheque, bank draft or money order made payable to “Argonaut Resources NL” as outlined on the Application Form at Option 2.

Special rules apply if you are a custodian (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) and are applying for Shares under the SPP on behalf of one or more beneficiaries. See clauses 1(f) to 1(i) and clauses 7 and 8 of the Terms and Conditions for further details.

#### **Q. What if I do nothing?**

**A.** Participation in the SPP offer is optional. If you choose to do nothing, you will not participate in the SPP offer to acquire new shares.

#### **Q. How many shares will I receive if I participate in the SPP Offer?**

**A.** If you are an Eligible Shareholder, and you wish to participate you must subscribe for either

- (i) 909,091 Shares for a consideration of \$5,000;
- (ii) 1,818,182 Shares for a consideration of \$10,000;
- (iii) 2,727,273 Shares for a consideration of \$15,000;
- (iv) 3,636,364 Shares for a consideration of \$20,000;
- (v) 4,545,455 Shares for a consideration of \$25,000; or
- (vi) a maximum number of 5,454,545 Shares for a consideration of \$30,000.

#### **Q. What is the issue price of the shares under the Offer?**

**A.** The purchase price offered to shareholders under the SPP will be \$0.0055, the same price at which shares were offered under the placement. This price represents a 24% and 17% discount to the volume weighted

average price (VWAP) of Argonaut shares calculated over the last 15 and five days respectively, immediately prior to the announcement of the SPP on 23 September 2020 and 21% discount to the last traded price of Argonaut shares prior to announcement of the SPP.

The number of new shares to be issued to each applicant will be calculated by dividing the amount subscribed by you by the issue price of \$0.0055 per Share, subject to any scaleback.

No fraction of Shares will be issued. The Company reserves the right to allot fewer Shares than an Eligible Shareholder applies for under the SPP, or no Shares, and determination by the Directors in respect of any scaling back will be final.

**Q. When does the Offer close?**

**A.** The SPP offer closes at 5.00pm (AEST) on 16 October 2020.

**Q. When will I receive my shares?**

**A.** Argonaut expects that new shares issued under the SPP will be allotted on or about 23 October 2020 and that holding statements for new shares issued under the SPP will be dispatched on or about 23 October 2020.

**Q. When can I trade allocated shares?**

**A.** Argonaut expects that new shares issued will be available for trading on or about 29 October 2020. You should confirm your shareholding after the Allotment Date, before trading any new shares you believe you have acquired under the SPP offer.

**Q. Why is there a maximum amount of A\$30,000 per shareholder?**

**A.** The offer of shares under the SPP must comply with the conditions of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* which permits Argonaut shareholders to buy up to A\$30,000 of new shares under this SPP, provided that eligible shareholders may only buy a maximum of A\$30,000 of new Argonaut shares under a share purchase plan within 12 months. See clauses 1(d) to 1(f) of the Terms and Conditions for further details.

**Q. How will Argonaut use the funds raised through the SPP Offer?**

**A.** The funds will be used primarily to drill test copper targets at the Company's 100% held Murdie Project in South Australia. The copper targets at Murdie are gravity anomalies in the style of BHP's high-grade Oak Dam discovery, 45 kilometres to the northwest. Work programs to be funded by capital raised are expected to include:

- ground-based gravity surveys, and
- deep drilling of geophysically modelled copper targets.

Additionally, funds will be used to complete a scoping economic study of the Nyungu copper-cobalt deposit at Lumwana West in North-western Zambia. Work programs are expected to include:

- leach testwork,
- oxidation testwork, and
- solvent extraction/electro-winning testwork.

Funds will also be used for working capital.

**Q. Are there any broker or stamping fees payable?**

**A.** A stamping fee of 1.5% (plus GST) of the value of new shares issued under the SPP (**Broker Stamping Fee**) will be paid by Argonaut to stockbrokers (being those entities recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Stamping Fee on successful applications. If Argonaut undertakes a scale back or otherwise issues a lesser number of new shares than applied for, the Broker Stamping Fee will only be payable on the value of the shares issued.

## ARGONAUT RESOURCES NL SHARE PURCHASE PLAN 2020

### Terms and Conditions

#### WARNING

*The Shares the subject of this Offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Securities Offered under Securities Act 1978 Exemptions Recognising Overseas Regimes) Exemption Notice 2016 (New Zealand).*

*This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.*

*The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. Please read this document carefully before you make a decision to invest. If you are in any doubt about the contents of this document, you should obtain independent professional advice.*

#### 1. Eligible Shareholders

- (a) Subject to clauses 1(b) to 1(k), all persons registered as holders of fully paid ordinary shares (**Shares**) of Argonaut Resources NL (ACN 008 084 848) (**Argonaut** or the **Company**) as at 7:00pm (AEST) on 22 September 2020 (**Record Date**), whose address in the share register of Argonaut is in Australia, New Zealand or another jurisdiction where in the opinion of the Directors, it is lawful and reasonably practical for Argonaut to issue Shares under the Offer (**Eligible Shareholders**) may participate in the Share Purchase Plan (**SPP**).
- (b) The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer.
- (c) Directors and Employees of Argonaut, as Eligible Shareholders, may participate in the SPP on the same terms as all other Eligible Shareholders.
- (d) If a shareholder is the only registered holder of a holding of Shares, but they receive more than one offer under the SPP (for example, due to multiple registered holdings), they may only apply in aggregate for a maximum of \$30,000 worth of Shares.
- (e) If a shareholder is recorded on the register as holding Shares jointly with another person, the joint holding is deemed to be a single registered holding for the purpose of determining whether the shareholder is an Eligible Shareholder and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply in aggregate for a maximum of \$30,000 worth of Shares.
- (f) Eligible Shareholders, who are Custodians, may participate in the SPP on behalf of:
  - (i) a person, who is not a Custodian, on whose behalf the Custodian is holding Shares; and
  - (ii) a person that another Custodian (**Downstream Custodian**) holds the beneficial interest in Shares on behalf of and that the Custodian holds the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,(each a **Participating Beneficiary**).
- (g) If a shareholder is a Custodian and holds Shares on behalf of one or more Participating Beneficiaries, they may apply for a maximum of \$30,000 worth of Shares for each Participating Beneficiary subject

to providing the Company with a Custodian Certificate – see clause 7– which must be received before 5.00pm on the Closing Date in addition to the Application Form.

- (h) If shareholders hold Shares as a trustee or nominee for another person, but is not a Custodian as defined in clause 7, they cannot participate for beneficiaries in the manner described in clause 1(f). In this case, the rules for multiple single holders (described in clause 1(e)) will apply.
- (i) If you hold Shares as a Custodian for joint holders:
  - (i) the \$30,000 limit applies jointly in relation to those persons as if the Custodian holds the Shares on behalf of a single person; and
  - (ii) the Custodian has received instructions of this kind in accordance with the terms on which the Shares are held or where the terms on which the Shares are held do not cover the giving of instructions of this kind - the Custodian has received such an instruction from any of those persons.
- (j) If a shareholder is a Custodian and wishes to make an application under the SPP, obtain a Custodian Certificate or would like further information on how to apply, they should contact Argonaut's Share Registry, Boardroom Pty Limited, contactable on (+61) 1300 737 760.
- (k) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

## **2. Applying for Shares**

- (a) Participation in the SPP is entirely at the discretion of Eligible Shareholders and is subject to these Terms and Conditions. Eligible Shareholders may apply to purchase a parcel of Shares in parcels divisible by \$5,000 between \$5,000 and a maximum of \$30,000 in response to the Offer. (**Subscription Amounts**).
- (b) Eligible Shareholders who wish to participate in the SPP must follow the instructions on the Application Form and use one or a combination of the following methods to pay for the new Argonaut shares you subscribe for:
  - (i) complete the Application Form and provide a cheque, bank draft or money order made payable to "Argonaut Resources NL" as directed on the Application Form; or
  - (ii) make payment by BPAY® in an amount equal to the dollar value of Shares for which you wish to apply, so that it is received on or before 5.00pm (AEST) on 16 October 2020 as directed on the Application Form.
- (c) If you make a payment that is not equivalent to a Subscription Amount, Argonaut will round down the value of Shares that you apply for to the next lowest Subscription Amount and refund any application monies (without interest) which are not used to purchase Shares, following allotment.
- (d) If you make a payment that is less than \$5,000 Argonaut may reject your application and refund your application monies (without interest) following allotment of Shares under the SPP.
- (e) If you apply for Shares under the SPP in a Subscription Amount, the number of Shares that you apply for will be calculated by dividing the relevant Subscription Amount by the Issue Price.
- (f) Argonaut may accept or reject an application for Shares under the SPP (in whole or in part) in its absolute discretion, including (without limitation) if:
  - (i) Argonaut considers that the application is not made in accordance with, or the applicant has not complied with, these Terms and Conditions.
  - (ii) an Application Form is not correctly completed;

- (iii) the applicant is not an Eligible Shareholder;
- (iv) the issue of those Shares would contravene any law or the Listing Rules;
- (v) the exact payment for the Shares applied for is not received;
- (vi) it is not reasonably satisfied that the issue of those Shares will not result in any person receiving Shares with an application price totalling more than \$30,000 as a result of:
  - (1) Shares issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or another Custodian to apply for Shares on their behalf) under the SPP; and
  - (2) any other Shares issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or another Custodian to apply for Shares on their behalf) under an arrangement similar to the SPP operated by Argonaut in the 12 months prior to the Allotment Date,

except to the extent that the person is issued with shares or interests as a Custodian under a custodian offer; or
- (vii) the applicant is a Custodian and has failed to provide Argonaut with a Custodian Certificate.

### **3. Underwriting and Shortfall**

- (a) The Offer is not underwritten.
- (b) To the extent that there is a shortfall in the subscription of Shares under the SPP by shareholders of the Company (**Shortfall Shares**), the Company reserves the right to place any Shortfall Shares in its absolute discretion at a price no less than the price of Shares offered under the SPP, so long as the issue of Shortfall Shares:
  - (i) satisfies section 708 of the Corporations Act; and
  - (ii) any approval of Shareholders to the issue of the Shortfall Shares which may be required under the Listing Rules or the Corporations Act is obtained.

### **4. Allotment of Shares and Variation in Number of Shares Issued**

- (a) The Shares will be allotted no more than 10 business days after the Closing Date. The Company's share registry, Boardroom Pty Limited, will send holding statements to successful applicants in due course
- (b) The Company presently intends to limit the amount raised pursuant to the SPP to \$1,200,000 but reserves the right to accept oversubscriptions as set out in clause 3 (Shortfall).
- (c) Without limiting the foregoing, the Company also reserves the right to allot fewer Shares than an Eligible Shareholder applies for under the Offer or no Shares, in the Company's discretion and as set out in clause 5 (Scale-back).
- (d) If there is a consolidation or re-organisation of the issued share capital of Argonaut prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the SPP shall be consolidated in the same ratio as the issued capital of Argonaut.

### **5. Scale-back**

- (a) The Directors reserve the right to issue to Eligible Shareholders such number of Shares under the SPP as is permitted pursuant to the Listing Rules without shareholder approval. Without limitation to any other matter set out in the Terms and Conditions, if total demand for the SPP exceeds \$1.2 million, the Company reserves the right to close the SPP early and to scale back Applications. Scale-back of eligible Applications will be applied on a prorate basis.



- (b) Any determination by the Directors as to Scale-back shall be final and binding on all applicants.
- (c) If Argonaut scales back applications in accordance with this clause 5, Argonaut will refund any excess application monies (without interest) to Eligible Shareholder's whose applications are affected by the Scale-back, as soon as practicable after allotment of Shares under the SPP.

## 6. Effect of Making an Application

If you submit a BPAY® payment or complete and return an application for Shares under the SPP by way of a method outlined on the Application Form:

- (a) you acknowledge and represent that you are an Eligible Shareholder;
- (b) you acknowledge that you have read, understood and agree to these Terms and Conditions;
- (c) you acknowledge that your application is irrevocable and unconditional;
- (d) you agree to be bound by the terms of the Company's constitution in respect of any Shares which may be issued to you under this SPP;
- (e) you represent and certify to Argonaut that (if you are not applying as a Custodian) you have not applied for more than \$30,000 of Shares in aggregate as follows:
  - (i) any Shares under the SPP the subject of the application;
  - (ii) any other Shares under the SPP or any similar arrangement in the 12 months before an application under this SPP;
  - (iii) any other Shares which you have instructed a Custodian to apply for or acquire on your behalf under the SPP; and
  - (iv) any other Shares issued to a Custodian in the 12 months before the application as a result of any instruction given by either you or another Custodian to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP which resulted in you holding a beneficial interest in the Shares;
- (f) if you are a Custodian applying for Shares under the SPP on behalf of more than one beneficiary, you certify the matters contained in the 'Custodian Certificate'; and
- (g) you acknowledge that the Shares have not, and will not be, registered under the securities law of any state or other jurisdiction outside Australia, New Zealand or another jurisdiction where in the opinion of the Directors, it is lawful and reasonably practical for Argonaut to issue Shares under the Offer.

## 7. Applications by Custodians - Custodian Certification

If on the Record Date you are a custodian within the definition of "custodian" in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Custodian)* and hold Shares on behalf of one of more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of \$30,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for Shares pursuant to the Offer certifying as follows:

- (a) either or both of the following:
  - (i) that the Custodian holds Shares on behalf of one or more of the other Participating Beneficiaries that are not Custodians; and
  - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one of more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian, on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (1) where clause 7(a)(i) applies – the Custodian; and
  - (2) where clause 7(a)(ii) applies – the Downstream Custodian, to apply for Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary;
  - (i) where clause 7(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
  - (ii) where clause 7(a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary;
  - (i) where clause 7(a)(i) applies, the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
  - (ii) where clause 7(a)(ii) applies, the number of the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the applications price for the following exceeds \$30,000;
  - (i) the Shares applied for by the Custodian on their behalf under the SPP in accordance with the instructions in clause 7(e); and
  - (ii) any other Shares issued to the Custodian in the 12 months before the application under the SPP as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (g) that a copy of the written SPP Documents was given to each Participating Beneficiary; and
- (h) where clause 7(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this clause 7, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

## 8. Custodian Definition

For the purpose of *ASIC Instrument 2019/547*, you are a Custodian if you are a registered holder of Shares that:

- (a) holds an Australian financial services licence that covers the provision of a custodial or depositary service (as those terms are defined in section 766E of the *Corporations Act 2001 (Cth)* **Corporations Act**); or
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under either:
  - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the “Regulations”);
  - (ii) paragraph 7.6.01(1)(na) of the Regulations;
  - (iii) ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001];
  - (iv) Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396;

- (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iv) or any of the ASIC Class Orders repealed by that legislative instrument; or
- (vi) paragraph 911A(2)(h) of the Corporations Act; or
- (c) is a trustee of a:
  - (i) self-managed superannuation fund; or
  - (ii) superannuation master trust; or
- (d) is the responsible entity of an IDPS-like scheme (as defined in ASIC Class Order 13/762 or any class order that replaces that class order); or
- (e) is the registered holder of Shares and is noted on the Company's share register as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in clause 1(e) above apply.

## 9. Issue Price of the Shares

- (a) The purchase price of the shares under this SPP Offer to shareholders will be \$0.0055 (**Issue Price**) which is the same as the placement price. This price represents a 24% and 17% discount to the volume weighted average price (**VWAP**) of Argonaut shares calculated over the last 15 and 5 days respectively, immediately prior to the announcement of the SPP on 23 September 2020 and 21% discount to the last traded price of Argonaut shares prior to announcement of the SPP.
- (b) You acknowledge that the Shares are a speculative investment and that the market price of Shares may rise or fall between the date of this offer and the date that the Shares are allotted to you under the SPP. Therefore, the Issue Price which you pay for Shares under the SPP may exceed the market price of Shares on the date that shares are allotted to you under the SPP. The Company does not make any assurance as to the market price of Shares and there can be no certainty that Shares in the Company will trade at or above the Issue Price following the Allotment Date. Shareholders should seek their own financial advice in relation to this Offer and participation in the SPP.
- (c) Shares issued under the SPP will rank equally in all respects with existing Shares quoted on the ASX and Argonaut will apply for Shares issued under the SPP to be quoted on the ASX.

## 10. Costs of Participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, Shares under the SPP.

## 11. Timetable

The timetable for the dates associated with the SPP (**Timetable**) is outlined immediately below and Argonaut reserves the right in its absolute discretion to change any of the dates outlined below without further notification:

- **Record Date:** 22 September 2020 at 7.00pm (AEST)
- **Opening Date:** 25 September 2020
- **Closing Date:** 16 October 2020 at 5.00pm (AEST)
- **Allotment Date:** 23 October 2020

## **12. Dispute Resolution**

Argonaut has the right to make a determination in respect of any disputes or difficulties that may arise in connection with the SPP. Any determination made by Argonaut is final and binding on all Eligible Shareholders and any additional parties to whom the determination relates.

## **13. Waiver, Amendment, Suspension and Withdrawal**

Argonaut may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions, or suspend or withdraw this offer at any time.

## **14. Governing Law**

These Terms and Conditions are governed by the laws in force in South Australia, Australia.

## **15. Non-resident Shareholders**

- (a) The right to participate in the offer made under this SPP is available exclusively to persons who were registered as holders of fully paid Shares in the Company on the Record Date and whose registered address was in Australia or New Zealand or in any other jurisdiction where, in the opinion of the Directors of the Company, it is lawful and reasonably practical for the Company to offer and issue Shares under this SPP
- (b) Eligible Shareholders who are not residents of Australia should consult their professional advisers as to whether any formalities need to be observed (either by them or the Company) to enable them to apply for Shares. It is the responsibility of such Eligible Shareholders to obtain all necessary approvals so they may legally apply for Shares. The return of a completed Application Form and accompanying Application Amount, or the forwarding of payment of the Application Amount using BPAY from a non-resident Eligible Shareholder will be taken by the Company to constitute a representation and warranty by that Eligible Shareholder that all relevant approvals have been obtained and that the Company may legally offer and issue the Shares to that Eligible Shareholder.
- (c) The contents of this document have not been reviewed by any regulatory authority in any jurisdiction.
- (d) The Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Securities Offered under Securities Act 1978 Exemptions Recognising Overseas Regimes) Exemption Notice 2016 (New Zealand)*.
- (e) This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## **16. Other Terms and Conditions**

- (a) By accepting the offer to acquire shares under the SPP, Shareholders will be bound by Argonaut's constitution and these Terms and Conditions.
- (b) The Offer of Shares under the SPP is in accordance with the *ASIC Instrument 2019/54* which grants relief from the requirement to prepare a disclosure document for this SPP offer and in accordance with the Listing Rules. The requirements of the *ASIC Instrument 2019/54* are incorporated into this SPP.

## **17. Definitions**

In this SPP, unless the context otherwise indicates, or the term is otherwise defined in the Terms and Conditions:

<b>Allotment Date</b>	means 23 October 2020
<b>Application Amount</b>	means the total amount payable by an Eligible Shareholder who applies for Shares under the SPP based on the Issue Price for the total number of Shares applied for by that Eligible Shareholder.
<b>Application Form</b>	means the application form accompanying these Terms and Conditions
<b>Argonaut or Company</b>	means Argonaut Resources NL ACN 008 084 848
<b>ASIC</b>	means the Australian Securities and Investments Commission
<b>ASIC Instrument 2019/54</b>	means <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/54</i> as amended or supplemented from time to time.
<b>Board</b>	means the board of directors of the Company from time to time
<b>Closing Date</b>	means 5.00pm (AEST) on 16 October 2020.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth) as amended from time to time.
<b>Custodian</b>	has the meaning given to it in the ASIC Instrument. See also clause 8.
<b>Custodian Certificate</b>	means the certification required to be given by a Custodian to the Company pursuant to clause 7 of the Terms and Conditions.
<b>Directors</b>	means the directors of the Company from time to time.
<b>Eligible Shareholders</b>	means those persons registered as holders of Shares as at the Record Date, whose address in the share register of Argonaut is in Australia, New Zealand or another jurisdiction where in the opinion of the Directors, it is lawful and reasonably practical for Argonaut to issue Shares under the Offer.
<b>Issue Price</b>	\$0.0055.
<b>Listing Rules</b>	means the official listing rules of the ASX (as amended from time to time).
<b>Opening Date</b>	means 25 September 2020
<b>Record Date</b>	means 7.00pm (AEST) on 22 September 2020
<b>Shares</b>	means ordinary fully paid shares in the issued capital of Argonaut
<b>SPP</b>	means the Argonaut Share Purchase Plan approved by the Board
<b>SPP Documents</b>	means these SPP Terms and Conditions, the Application Form and accompanying documents.
<b>Terms and Conditions</b>	means the terms and conditions set out in this document

## Share Purchase Plan (SPP) - Application Form

Record Date: 7.00pm (AEST) Tuesday, 22 September 2020

Open Date: Friday, 25 September 2020

Closing Date: 5.00pm (AEDT time) Friday, 16 October 2020

SPP Issue Price – \$0.0055

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

This is an important document which requires your immediate attention. It can only be used in relation to the shareholding represented by the details above. If you are in doubt as to how to deal with this document, please contact your professional adviser. Terms not defined in this Application Form have the meaning given in the SPP terms, dated 25 September 2020, accompanying this Application Form.

**A Offer Details**

Eligible Shareholders may apply for SPP Shares in parcels valued at \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000.

Before applying for Shares you should read the SPP Prospectus accompanying this Application Form and the 'Applicant's Certification and Acknowledgments' on the back of this Application Form carefully.

This SPP is non-renounceable meaning that you cannot transfer your right to purchase Shares to another person. Applications can only be accepted in the name printed on the Application Form. If you are a custodian, trustee or nominee within the definition of "custodian" (as defined in paragraph 4 of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Custodian), you must complete and return this Application Form together with the Custodian Certificate referred to in Section F of this Application Form.

Argonaut Resources NL (the Company) may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application.

Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination related. The Company reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions, to suspend or terminate the SPP at any time or to implement a scale back of applications. Any such waiver, amendment, variation, suspension, termination or scale back will be binding on all eligible shareholders even where the Company does not notify you of that event. If you do not wish to subscribe for Shares under the SPP, there is no need to take any action.

**B Parcel Size**

Indicate the parcel size of Shares you wish to apply for by marking one box only below:

☐

A\$5,000.00

☐

A\$10,000.00

☐

A\$15,000.00

☐

A\$20,000.00

☐

A\$25,000.00

☐

A\$30,000.00

**C Payment Options**

Payment may only be made by BPAY® or cheque, bank draft or money order and in Australian dollars. Cash will not be accepted and payments cannot be made at any bank. Custodians cannot make payment by BPAY®.

**Payment Option 1 - BPAY**

Biller Code:

Customer Ref Number (CRN)

Telephone and Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

- To pay via BPAY® please contact your participating financial institution. If paying by BPAY® you will be deemed to have completed an Application Form for the value of Shares the subject of your payment. You do not need to return this Application Form.
- Your payment must be received by the Share Registry by 5.00pm (AEST) on 16 October 2020.
- Please ensure you pay the correct amount for the parcel size you wish to apply for.
- Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount to wish to pay via BPAY® does not exceed your limit.

## Payment Option 2 - Cheque, bank draft or money order

Record your cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- If paying by cheque, bank draft or money order you must complete this Application Form and submit it together with your cheque, bank draft or money order.
- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque, bank draft or money order must be made payable to "Argonaut Resources NL" and crossed '**Not Negotiable**'.
- Please ensure that you submit the correct amount for the parcel size of Shares you wish to apply for.
- Make sure you send your completed Application Form and payment allowing enough time for mail delivery so the Share Registry, Boardroom Pty Limited, receives them no later than 5.00pm (AEDT) on 16 October 2020.
- If paying by cheque, please ensure sufficient cleared funds are held in your account as your cheque will be banked as soon as it is received.
- The Company reserves the right not to process any Application Forms that are incomplete or where payment is received after 5.00pm (AEDT) 16 October 2020.

## D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone No.	Work telephone No.	Contact name

## E Applicant's Certification and Acknowledgements

By completing and returning this Application Form with your cheque, bank draft or money order to the Share Registry or making a BPAY® payment, you:

- represent and warrant that you have read and understood the SPP Prospectus (including the terms and conditions of the SPP) and that you acknowledge the matters, and make the representations, warranties and certifications, in the terms and conditions of the SPP, including as to your eligibility to participate in the SPP;
- represent and warrant that by making payment, you agree to be bound by the constitution of Argonaut Resources NL and that the submission of the payment constitutes an irrevocable offer by you to subscribe for Shares on the terms of the SPP and you will be deemed to have accepted and be bound by the terms and conditions of the SPP;
- represent and warrant that the aggregate of the application price paid for by you or on your behalf for:
  - the Shares as indicated above;
  - any other Shares applied for by you under the SPP or issued to you under a similar arrangement in the 12 months prior to the date of submission of the Application Form;
  - any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP; or
  - any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of submission of this Application Form as a result of an instruction given by you to a Custodian which resulted in you holding beneficial interests in the Shares,does not exceed \$30,000;
- acknowledge that this Application Form does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This Application Form may not be distributed or released in the United States. None of the Shares offered under this SPP have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares to be offered and sold in this SPP may only be offered and sold to investors that are not in the United States and are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;
- represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Shares under this SPP and under any applicable laws and regulations; and
- acknowledge that you may receive a lesser number of Shares than the number of Shares you apply for.

**NO SIGNATURE IS REQUIRED ON THIS FORM**

**THIS OFFER IS NON-RENOUNCEABLE**

BPAY payments or Application Forms and accompanying cheques, bank drafts or money orders must be received no later than 5.00pm (AEDT) on 16 October 2020 at:

**MAILING ADDRESS**  
Argonaut Resources NL  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

**HAND DELIVERY ADDRESS**  
Argonaut Resources NL  
C/- Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000

## F Information for Custodians

If you are a Custodian you must complete this Application Form and a Custodian Certificate (which must be requested from the Share Registry) and submit both documents together with your cheque, bank draft or money order. Custodians cannot make payment by BPAY. Please contact the Share Registry, Boardroom Pty Limited, on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia between 8.30am to 5.30pm (AEST) to obtain a copy of the Custodian Certificate. Applications received from Custodians that are not accompanied by the Custodian Certificate will be rejected.